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23 NOV 1973

MEMORANDUM FOR: Director of Training

SUBJECT : Per Diem Rates for Long-Term External Training Programs

1. The Problem

An urgent need exists to increase per diem rates for long-term external training programs to reflect current living costs.

2. Background

For many years CIA has sponsored training programs for Agency employees at various senior schools and academic institutions. Considerable impetus was given this effort by passage of the Government Employees Training Act (GETA) in 1958 which strongly encourages such sponsorship. Until 1966 it was our general practice to cut PCS orders on employees engaged in programs of 9 months or more at locations some distance from their posts of assignment, thus permitting them to have their families there. In fact, it is Agency policy that married students attending Senior Service Schools should have their families with them since wives are expected to participate in social activities at the Schools.

On 12 October 1966 the Bureau of the Budget issued Circular A-56 excluding employees assigned under GETA from certain benefits provided in "regulations governing payment of travel and transportation expenses of civilian officers and employees of the United States." This was construed by CIA (incorrectly, we now know) to preclude PCS transfers of our students engaged in training programs, so a scale of per diem payments was established to cover reimbursable costs associated with their relocation. Devised by a Task Force composed of the SSA/DDS, Chief of Central Travel, and OTR's Executive Assistant and Registrar, the scale approved 27 September 1967 provided:

First 60 days	\$16.00 per day
Next 120 days	\$10.67 per day
Thereafter	\$10.00 per day (\$5 for unmarried employees)
(max 365 days total)	

NOTE: For students at the Armed Forces Staff College, where government quarters are provided, a flat \$9 per day was provided.

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Since 1967 the scale has been reviewed annually, taking into account the actual experiences of trainees (who are debriefed by OTR when they return from their programs) and other relevant factors. The only change thus far, however, has been in payments to students at the Armed Forces Staff College - a 5-month program - where the flat \$9 per day was raised to \$11 in October 1972.

3. Discussion

a. The Need for Action

In 1967 when CIA first set its per diem rates for long-term training the scale was quite generous in relation to prevailing living costs and also in comparison with practices of other agencies. This continued true through the 1971-72 academic year, as attested by returning students, and even into the 1972-73 year. But returning students debriefed last summer told of rising costs, especially during the latter months of their programs, clearly indicating the need for a close look at things when the 73-74 academic season got underway. Their concerns have been borne out by newly enrolled students and are also reflected in the national cost-of-living index which rose sharply during the summer and early fall. Increases in living costs have been reflected also in the actions of other agencies, most of whose long-term per diem scales now exceed CIA's. Hence the need to act.

Accordingly, on 12 September 1973 OTR sought assistance from the Travel Policy Committee in overhauling its per diem scale. The Committee considered the request but deferred action to its Chairman, who joined with OTR's Chief of Services and Registration, and the SSA/DDM&S in preparing the recommendations presented in this memorandum.

b. Legal Authority

The Government Employees Training Act does not try to prescribe or suggest per diem or other emoluments for employees engaged in long-term training programs. This is left to the discretion of each sponsoring agency within its own authority for such matters. Thus CIA's travel regulations provide the basis for our decision which the Director of Training is expected to make in consultation with appropriate officials and in consideration of existing conditions at the institutions CIA students attend.

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c. Definition of Long-Term Training

The Civil Service Commission defines long-term training as extending more than 120 days. DoD keys its "long-term" per diem policy to training periods of 45 days or more. Other agencies use different periods, the significance being that normal per diem rates apply to short-term training periods. No agency policy we have found discusses training periods of more than 12 months, implying that where they exist (as in CIA) they're handled on an individual basis.

d. Current Policies of Other Agencies

As might be expected since each agency acts on its own discretion, benefits for employees in long-term training differ almost by agency. In a few instances (particularly with Foreign Service Officers and military personnel) the general practice is to transfer trainees PCS to their training sites. In other instances per diem, or a combination of per diem and housing costs, are paid. At least one agency (Agriculture) gives the sponsor the choice of paying per diem or relocating the trainee if the cost doesn't exceed the per diem he would get for the length of his training program.

Where per diem is paid, three different approaches are taken by the various agencies in determining amounts. Some pay a flat daily rate for the duration of training. Others use a declining scale with amounts decreasing at intervals during the program. Still others pay lodging plus a reduced per diem. Attachment A shows a representative sampling of these practices.

e. Attempts to Standardize Agency Policies

Until this past summer DoD permitted each of its agencies to set its own training per diem scales. But inequities ultimately forced a uniform DoD scale which, after long study, was fixed at a flat \$14 per day for periods of 45 days or more. This may lead to closer consultation among other agencies and some narrowing of the spread between them. But the Civil Service Commission says it intends to stay clear of such discussions and has no guidance on the subject, so general uniformity is not to be expected.

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f. Number of CIA Trainees Involved

At present CIA has 14 students engaged in long-term training outside their posts of assignment. Eight attend programs administered by the Training Selection Board and funded by OTR. The other six are in programs administered by OTR but sponsored and funded by parent components as follows:

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4. Conclusions

a. The Task Force cited in 3a (i.e., [REDACTED] Chairman of the Travel Policy Committee, [REDACTED] SSA/DDM&S, and [REDACTED] Chief of OTR's Services and Registration Staff), after examining CIA's past and current experience with long-term training programs, and the updated practices of other agencies, concluded that CIA's per diem scale:

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(1) Should be increased to a level sufficient to meet the higher costs now prevailing at schools CIA trainees attend;

(2) Should be simple for trainees to understand and OTR to administer;

(3) Should make no distinction between married and unmarried trainees;

(4) Should be adjusted for those Service Schools where government quarters are provided, and for other special situations.

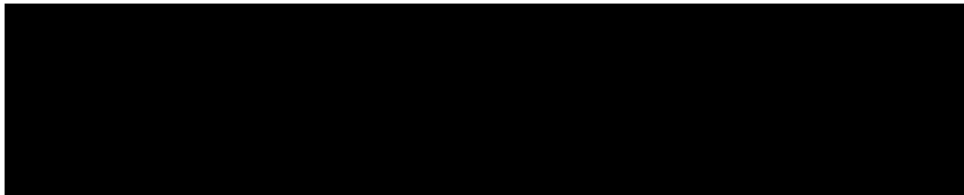
b. Recognizing that costs vary significantly among trainees according to their location, their individual family circumstances, their personal tastes in housing, food, etc., the Task Force sought a formula for per diem that would be fair, yet simple to administer. To be avoided, it thought, were reimbursements for actual costs, involving as they do detailed inquiries into circumstances at each training site and the imponderable, and sometimes emotion-laden, issue of whether such costs are reasonable in each instance.

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Instead, a "commuted" rate was preferred. And the amount chosen was based on reports from present CIA students and the experiences of other agencies concerned with the same problem. It was felt that CIA should again be among the more progressive agencies that have a substantial stake in external training, but not conspicuously in advance of them. Therefore a flat rate of \$15 per day was chosen. For a 270-day program this would raise total payments from \$3,140 to \$4,050, an increase of \$910 or \$150 a month.

c. Several training programs involve special circumstances, which the Task Force thought should be handled separately:

(1) The Armed Forces Staff College and, on occasion, other Service Schools provide government quarters for trainees. When these are occupied, per diem should be reduced proportionately. In such cases \$10 a day, plus any service fee for the quarters (not to exceed \$5 per day), is considered proper.



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(3) Programs that extend more than 12 months should be handled on an individual basis. When it is known in advance that a program will last more than 12 months, the trainee should be transferred PCS to the training site. Under Agency regulations, he would get transportation costs for himself and dependents, travel per diem for himself, and shipment of household effects including temporary storage up to 60 days. OMB Circular A-56 precludes other benefits associated with domestic transfers, such as allowances in connection with residence transactions, advance trip to seek quarters, subsistence while occupying temporary quarters, allowances for miscellaneous expenses, and travel per diem for dependents. When a one-year program is later extended to two years, and it is not reasonable at that time to transfer the trainee PCS, per diem for the second year should be reduced or eliminated, as the Director of Training determines, but should in no case exceed \$10 per day.

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d. In most cases trainees make advance arrangements for housing which they can occupy immediately on arrival at the training site. Where this is not feasible, the Director of Training should have discretion to authorize full per diem (\$25 under current regulations) for the first five days a trainee is at his new training site if he is awaiting quarters during that period.

e. No reason could be found for having a different per diem rate for unmarried personnel, and this distinction should be ended.

f. Adjustments in the per diem scale should be for the full 73-74 academic year and thereafter until changed. Since the 73-74 year is already underway, payments to trainees should be adjusted to yield a flat \$15 per day from the initial date of enrollment.

g. Travel and transportation costs for external training should continue to be paid according to Agency regulations, and are distinct from per diem scales discussed in this memorandum.

5. Recommendations

a. Effective 1 August 1973, the per diem scale for CIA employees enrolled in training programs of 120 to 365 days within the U.S. will be \$15, except that trainees occupying government quarters during such programs will receive only \$10 plus any service fees not to exceed \$5 per day charged for billeting.


b. An employee who has not made advance arrangements for housing and must therefore occupy temporary commercial lodgings at his training site may, at the discretion of the DTR, be paid full per diem during the first 5 days he must occupy such temporary lodgings.

c. An employee enrolled in a training program that will extend more than 12 months will be transferred PCS to the training site and receive allowances for a domestic relocation, subject to the limitations in OMB Circular A-56 [see paragraph c3 above.] If PCS transfer is not feasible in a particular case, the DTR will determine the per diem to be paid which in no case will exceed \$10 per day for any period beyond the first 365 days.

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d. An employee enrolled in a long-term training program outside the United States will normally be transferred PCS to his training location and receive standard overseas allowances applicable to that area.

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Chief, Services and Registration Staff
Office of Training

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Att A

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